



## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Rebecca Giello, Interim Director, Economic Development Department 

**DATE:** June 25, 2019

**SUBJECT:** Update on Resolution 20190523-029: Palm District Master Plan, specific to the Fifth Street Mexican American Heritage Corridor

This memorandum is in response to City Council Resolution 20190523-029 related to the Palm District Master Plan, specifically the direction to the City Manager “to analyze whether Hotel Occupancy Taxes can be used to promote and install appropriate wayfinding and signage along the Fifth Street Mexican American Heritage Corridor.” Contingent on the analysis, the resolution further directs the City Manager “to include Corridor wayfinding in the Fiscal Year 2020 historic preservation spending”.

The Economic Development Department (EDD) in partnership with the Law Department has reviewed the use of Hotel Occupancy Taxes (HOT) for signage and wayfinding to advertise to tourists and convention delegates, as well as local Austinites, the historic locations along the Fifth Street Mexican American Heritage Corridor.

Under Chapter 351.101 of the Texas Tax Code, revenue from the municipal hotel occupancy tax may be used to promote tourism and the convention and hotel industry as long as the use also fits within the categories authorized in the Texas Tax Code. One of the eligible uses is historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

- A. At or in the immediate vicinity of convention center facilities or visitor information centers; or
- B. Located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates.

The Fifth Street Mexican American Heritage Corridor is near a 4.9-mile Tejano Walking Trail from the post-Civil War era that was designated by the United States Department of Interior as a National Recreation Trail in 2012 and is in proximity to the Austin Convention Center. As a promotional activity that encourages tourists and convention delegates to visit the historical trail, the installation of wayfinding and signage appears to be an eligible use for the HOT funds.

In accordance with the Council direction in Resolution 20190523-029, EDD will include the Fifth Street Mexican American Heritage Corridor wayfinding as part of its Fiscal Year 2019/20 historic preservation budget recommendation.

In addition, as recommended by the Visitor Impact Task Force and Heritage Grant Working Group, a comprehensive cultural and heritage tourism plan with community and tourism industry input will be conducted by the EDD Cultural Heritage and Tourism Division. As part of the comprehensive tourism plan, EDD will work with an interdisciplinary team including the Austin Transportation Department, the Public Works Department, the Convention Center, and the Parks and Recreation Department, to conduct an evaluation and develop a standardized wayfinding strategy that will attract tourists and convention delegates, as well as members of the Austin community to explore Austin’s historic sites.